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TAGS: [PREL](#) [PGOV](#) [UY](#)
SUBJECT: URUGUAY: VAZQUEZ RALLIES THE FA BASE

REF: A. MONTEVIDEO 060
[1](#)B. MONTEVIDEO 074
[1](#)C. 08 MONTEVIDEO 685

Classified By: PE Alfred Schandlbauer, for reason 1.4 (B)

Summary

[1](#)1. (U) In a downtown Montevideo rally attended by several thousand supporters, President Vazquez delivered an optimistic two-hour-long state of the union address that emphasized Uruguay's progress under his administration. His focus was on the success of ruling coalition Frente Amplio's social reforms, and he defended a controversial tax reform as well as his government's record in taking actions to mitigate a recent severe drought. Uruguay's constitution prohibits elected officials from participating in political campaigns, but some observers described the event as a clear attempt to shore up the FA base. End Summary.

"We've had luck, but we've helped it along"

[1](#)2. (U) Vazquez recognized the benefits his administration enjoyed in terms of the robust global economy of the past several years, but held that the FA's efforts were fundamental in determining what he described as Uruguay's solid position today. He directly addressed most of the criticisms made by the opposition over the past few months, comparing forecasters of doom after the FA victory to the forecasters of rain for this overcast event (that commenced just hours after a downpour). Vazquez dedicated the largest part of the speech to emphasizing the ways in which GOU social programs had been expanded and improved, countering opposition insinuations that the FA had not delivered on its promises with facts and figures demonstrating FA achievements. According to Vazquez, the FA is shrinking the poverty gap, with poverty down to 21 percent from 32 percent in 2005. FA efforts have also resulted in the creation of 70,000 "good" jobs, Vazquez said, and an increase in the purchasing power of salaries, citing a real wage increase of 19 percent.

[1](#)3. Vazquez stated that Uruguay is well-positioned to weather the global economic crisis. He emphasized the role that a controversial tax reform (Ref A) and prudent macroeconomic policy had played in supporting the FA goals. The pivot point of his discussion on economic policy was a claim to have progressed toward the elimination of foreign dependence, primarily by working to pay off foreign debt, which has halved during his time in the presidency. The level of national debt in general has also significantly decreased (Ref B). Vazquez stressed Uruguay's healthy growth, averaging 8 percent over the past four years, and predicted that Uruguay would grow by three percent in 2009.

[1](#)4. Uruguay recently suffered from a severe drought, and many

Uruguayans had criticized the GOU's mitigation efforts (Ref C). Vazquez used the occasion to defend his government's actions, reading a list of 34 measures that the GOU undertook to address problems caused by the drought in late November through mid-January, including providing microcredits for affected farmers and financial support for building irrigation infrastructure. He also staunchly defended his handling of another recent scandal, which centered on alleged improper practices at Uruguay's National Institute for the Child and Adolescent. Vazquez reminded listeners that the problems with that institution have long-standing and deep-seated roots, and pledged to continue to work to resolve them and treat affected children as humanely as possible.

Speech Stirs Controversy

¶5. Although prohibited by the constitution from publicly supporting any one candidate or even participating in a partisan event, Vazquez's speech managed to praise the FA candidates. By including mentions of former presidents, he was able to highlight the achievements of candidates Danilo Astori and Jose Mujica, a move that garnered applause. He also highlighted topics of particular interest to the FA base, such as thanking Cuba and Venezuela for medical assistance and mentioning the GOU's efforts to extradite from Italy an official from Uruguay's military dictatorship, which prompted a standing ovation. Opposition candidates pointed out that the speech lauded the FA while failing to recognize the accomplishments and cooperation of other parties.

¶6. The opposition was outraged not only with the decision to hold a rally, but also with the tone of the speech. In his defense of the government's measures against the drought, Vazquez performed what some considered a demeaning impression of Blanco candidate Jorge Larranaga, who had been a strong critic of the government's actions. In response, Larranaga called the speech "political, extremely long, tedious, boring and pretentious." Other opposition parties are going further by calling the act illegal. One opposition candidate stated that the opposition should be allowed to host rallies of their own that are financed by the state and given equal access to press. Another called it a "gross violation" of the constitution "in the tradition of Castro and Chavez."

Comment

¶7. (C) Vazquez took pains to deny that the rally had a partisan nature, and repeatedly spoke of his pride about serving as "president of all Uruguayans," but critics who complained the speech was a partisan event had a point. The speech probably did not gain the FA many new votes, but it certainly inspired the base. Many Vazquez supporters characterized the speech as Vazquez's best since he assumed the presidency, and the turnout showed he is still the most popular politician in the country. The individual that polling indicates is next in popularity, Jose Mujica, drew only about half the number of participants to a similar event two days earlier formally kicking off his campaign.
Matthewman